

106TH CONGRESS
2D SESSION

H. R. 5440

To require large employers to notify their employees of the amount paid
by the employer for employee health coverage.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 11, 2000

Mr. ARMEY introduced the following bill; which was referred to the Committee
on Education and the Workforce

A BILL

To require large employers to notify their employees of the
amount paid by the employer for employee health coverage.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Employee Health Ben-
5 efits Disclosure Act of 2000”.

6 **SEC. 2. NOTIFICATION OF EMPLOYER COST OF PROVIDING**
7 **HEALTH COVERAGE FOR EMPLOYEES.**

8 (a) IN GENERAL.—Every large employer who pro-
9 vides health coverage for an employee during any calendar

1 year shall notify such employee of the amount of the em-
2 ployer health plan contribution for such year.

3 (b) EMPLOYER HEALTH PLAN CONTRIBUTION.—For
4 purposes of this section—

5 (1) IN GENERAL.—The term “employer health
6 plan contribution” means, with respect to an em-
7 ployee, the cost of the employer-provided coverage
8 for such employee under any health plan.

9 (2) ALTERNATIVE AMOUNT.—

10 (A) IN GENERAL.—In lieu of applying
11 paragraph (1), an employer may treat the em-
12 ployer health plan contribution as being the ap-
13 plicable premium (as defined in section
14 4980B(f)(4) of the Internal Revenue Code of
15 1986) for the employee reduced by the employ-
16 ee’s share of such premium.

17 (B) EMPLOYEE’S SHARE.—The term “em-
18 ployee’s share” means, with respect to the ap-
19 plicable premium for any employee, the amount
20 of the cost to the plan which is paid by simi-
21 larly situated beneficiaries who are taken into
22 account in determining such premium for such
23 employee.

24 (c) STATEMENT REQUIRED TO BE INCLUDED ON
25 NOTICE.—Each notice provided under this section shall

1 include the following statement with respect to the em-
2 ployer health plan contribution: “This contribution is part
3 of your total compensation and reduces your cash wages
4 and other compensation by a like amount.”

5 (d) OTHER DEFINITIONS.—For purposes of this
6 section—

7 (1) LARGE EMPLOYER.—

8 (A) IN GENERAL.—The term “large em-
9 ployer” means, with respect to a calendar year,
10 any employer who employed an average of 100
11 or more employees on business days during the
12 preceding calendar year. For purposes of the
13 preceding sentence, a preceding calendar year
14 may be taken into account only if the employer
15 was in existence throughout such year.

16 (B) EMPLOYERS NOT IN EXISTENCE IN
17 PRECEDING YEAR.—In the case of an employer
18 which was not in existence throughout the pre-
19 ceding calendar year, the determination under
20 subparagraph (A) shall be based on the average
21 number of employees that it is reasonably ex-
22 pected such employer will employ on business
23 days during the current calendar year.

24 (C) SPECIAL RULES.—

1 (i) CONTROLLED GROUPS.—For pur-
2 poses of this paragraph, all persons treated
3 as a single employer under subsection (b),
4 (c), (m), or (o) of section 414 of the Inter-
5 nal Revenue Code of 1986 shall be treated
6 as 1 employer.

7 (ii) PREDECESSORS.—Any reference
8 in this paragraph to an employer shall in-
9 clude a reference to any predecessor of
10 such employer.

11 (2) EMPLOYEE.—Except for purposes of para-
12 graph (1), the term “employee” includes a former
13 employee and an individual who is a beneficiary by
14 reason of a deceased employee.

15 (e) MEANS OF NOTICE.—The notice required under
16 this section may be made by mail, by including the re-
17 quired information with a payment of wages or with a de-
18 scription of the plan provided to employees, or by other
19 reasonable means.

20 (f) PENALTY FOR FAILURE TO NOTIFY.—

21 (1) IN GENERAL.—A large employer who will-
22 fully fails to provide a timely notice under this sec-
23 tion to an employee, or who willfully furnishes a no-
24 tice stating a false employer health plan contribu-
25 tion, shall for each such failure be subject to a pen-

1 alty under subchapter B of chapter 68 of the Inter-
2 nal Revenue Code of 1986 of \$50, which shall be as-
3 sessed and collected in the same manner as the tax
4 on employers imposed by section 3111 of such Code.

5 (2) SAFE HARBOR.—An employer shall be
6 treated as providing a timely notice under this sec-
7 tion with respect to any period during a calendar
8 year if such notice is provided on or before January
9 31 of the succeeding year.

10 (g) ADMINISTRATIVE AUTHORITY.—The Secretary of
11 the Treasury or the Secretary's delegate shall prescribe
12 such regulations as may be appropriate to carry out this
13 section and shall have administrative responsibility for de-
14 termining whether the requirements of this section are
15 met.

16 **SEC. 3. EFFECTIVE DATE.**

17 This Act shall apply to calendar years after 2004.

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